

January 29, 2008

## **HOUSE BILL No. 1319**

DIGEST OF HB 1319 (Updated January 28, 2008 7:51 pm - DI 52)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property tax matters. Provides that land that has a forest canopy covering at least 50% of the area of the land and that was assessed as agricultural land for the March 1, 2005, assessment date is considered to be devoted to agricultural use and shall be assessed as agricultural land for taxation purposes unless: (1) the land is rezoned; (2) the land is divided into two or more parcels; (3) the ownership of the land is conveyed or transferred; or (4) there is a substantial change in the use of the land. With respect to an excessive levy appeal based on increased costs to a civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the unit to additional geographic areas or persons: (1) eliminates the restriction against an appeal after 2009; (2) allows an appeal in the first year increased costs are incurred and the immediately succeeding four years; and (3) makes the excessive levy for a year a permanent part of the unit's maximum permissible levy for succeeding years.

Effective: March 1, 2007 (retroactive); July 1, 2008.

# Grubb, Pierce, Blanton, Battles

January 15, 2008, read first time and referred to Committee on Agriculture and Rural Development.

January 24, 2008, reported — Do Pass.

January 28, 2008, read second time, amended, ordered engrossed.









## Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

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## **HOUSE BILL No. 1319**

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:



SECTION 1. IC 6-1.1-4-13	IS	AMENDED	TO	READ	AS
FOLLOWS [EFFECTIVE MARC	H 1,	2007 (RETRO	OAC'	TIVE)]:	Sec
13. (a) In assessing or reassessing	g lan	d, the land sha	all be	e assesse	d as
agricultural land only when it is d	evot	ed to agricultu	ıral u	ise.	

- (b) The department of local government finance shall give written notice to each county assessor of:
  - (1) the availability of the United States Department of Agriculture's soil survey data; and
  - (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

- (c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.
  - (d) This section does not apply to land purchased for industrial,

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1	commercial, or residential uses.
2	(e) For purposes of this section and for purposes of assessment
3	under this article, land that has a forest canopy covering at least
4	fifty percent (50%) of the area of the land and that was assessed as
5	agricultural land for the March 1, 2005, assessment date is
6	considered to be devoted to agricultural use and shall be assessed
7	as agricultural land for the March 1, 2007, assessment date and for
8	subsequent assessment dates, unless:
9	(1) the land is rezoned;
10	(2) the land is divided into two (2) or more parcels;
11	(3) the ownership of the land:
12	(A) is conveyed after January 1, 2008, to another person,
13	in the case of land that is not owned by an individual; or
14	(B) is conveyed after January 1, 2008, to a person other
15	than a relative of the owner, in the case of land that is
16	owned by an individual; or
17	(4) there is a substantial change (as determined by the
18	department of local government finance) in the use of the
19	land.
20	SECTION 2. IC 6-1.1-18.5-3, AS AMENDED BY P.L.224-2007,
21	SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2008]: Sec. 3. (a) Except as otherwise provided in this chapter
23	and IC 6-3.5-8-12, a civil taxing unit that is treated as not being located
24	in an adopting county under section 4 of this chapter may not impose
25	an ad valorem property tax levy for an ensuing calendar year that
26	exceeds the amount determined in the last STEP of the following
27	STEPS:
28	STEP ONE: Add the civil taxing unit's maximum permissible ad
29	valorem property tax levy for the preceding calendar year to the
30	part of the civil taxing unit's certified share, if any, that was used
31	to reduce the civil taxing unit's ad valorem property tax levy under
32	STEP EIGHT of subsection (b) for that preceding calendar year.
33	STEP TWO: Multiply the amount determined in STEP ONE by
34	the amount determined in the last STEP of section 2(b) of this
35	chapter.
36	STEP THREE: Determine the lesser of one and fifteen hundredths
37	(1.15) or the quotient (rounded to the nearest ten-thousandth
38	(0.0001)), of the assessed value of all taxable property subject to
39	the civil taxing unit's ad valorem property tax levy for the ensuing
40	calendar year, divided by the assessed value of all taxable

property that is subject to the civil taxing unit's ad valorem

property tax levy for the ensuing calendar year and that is



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1	contained within the geographic area that was subject to the civil	
2	taxing unit's ad valorem property tax levy in the preceding	
3	calendar year.	
4	STEP FOUR: Determine the greater of the amount determined in	
5	STEP THREE or one (1).	
6	STEP FIVE: Multiply the amount determined in STEP TWO by	
7	the amount determined in STEP FOUR.	
8	STEP SIX: Add the amount determined under STEP TWO to the	
9	amount determined under subsection (c).	
10	STEP SEVEN: Determine the greater of the amount determined	
11	under STEP FIVE or the amount determined under STEP SIX.	
12	(b) Except as otherwise provided in this chapter and IC 6-3.5-8-12,	
13	a civil taxing unit that is treated as being located in an adopting county	
14	under section 4 of this chapter may not impose an ad valorem property	
15	tax levy for an ensuing calendar year that exceeds the amount	
16	determined in the last STEP of the following STEPS:	
17	STEP ONE: Add the civil taxing unit's maximum permissible ad	
18	valorem property tax levy for the preceding calendar year to the	
19	part of the civil taxing unit's certified share, if any, used to reduce	
20	the civil taxing unit's ad valorem property tax levy under STEP	
21	EIGHT of this subsection for that preceding calendar year.	
22	STEP TWO: Multiply the amount determined in STEP ONE by	
23	the amount determined in the last STEP of section 2(b) of this	
24	chapter.	
25	STEP THREE: Determine the lesser of one and fifteen hundredths	
26	(1.15) or the quotient of the assessed value of all taxable property	
27	subject to the civil taxing unit's ad valorem property tax levy for	
28	the ensuing calendar year divided by the assessed value of all	
29	taxable property that is subject to the civil taxing unit's ad	
30	valorem property tax levy for the ensuing calendar year and that	
31	is contained within the geographic area that was subject to the	
32	civil taxing unit's ad valorem property tax levy in the preceding	
33	calendar year.	
34	STEP FOUR: Determine the greater of the amount determined in	
35	STEP THREE or one (1).	
36	STEP FIVE: Multiply the amount determined in STEP TWO by	
37	the amount determined in STEP FOUR.	
38	STEP SIX: Add the amount determined under STEP TWO to the	
39	amount determined under subsection (c).	
40	STEP SEVEN: Determine the greater of the amount determined	
41	under STEP FIVE or the amount determined under STEP SIX.	
42	STEP EIGHT: Subtract the amount determined under STEP FIVE	



1	of subsection (e) from the amount determined under STEP
2	SEVEN of this subsection.
3	(c) The amount to be entered under STEP SIX of subsection (a)
4	or STEP SIX of subsection (b), as applicable, equals the sum of the
5	following:
6	(1) If a civil taxing unit in the immediately preceding calendar
7	year provided an area outside its boundaries with services on a
8	contractual basis and in the ensuing calendar year that area has
9	been annexed by the civil taxing unit, the amount to be entered
10	under STEP SIX of subsection (a) or STEP SIX of subsection (b),
11	as the case may be, equals the amount paid by the annexed area
12	during the immediately preceding calendar year for services that
13	the civil taxing unit must provide to that area during the ensuing
14	calendar year as a result of the annexation.
15	(2) If the civil taxing unit has had an excessive levy appeal
16	approved under section 13(1) of this chapter for the ensuing
17	calendar year, an amount determined by the civil taxing unit
18	for the ensuing calendar year that does not exceed the amount
19	of that excessive levy.
20	In all other cases, the amount to be entered under STEP SIX of
21	subsection (a) or STEP SIX of subsection (b), as the case may be,
22	equals zero (0).
23	(d) This subsection applies only to civil taxing units located in a
24	county having a county adjusted gross income tax rate for resident
25	county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as
26	of January 1 of the ensuing calendar year. For each civil taxing unit, the
27	amount to be added to the amount determined in subsection (e), STEP
28	FOUR, is determined using the following formula:
29	STEP ONE: Multiply the civil taxing unit's maximum permissible
30	ad valorem property tax levy for the preceding calendar year by
31	two percent (2%).
32	STEP TWO: For the determination year, the amount to be used as
33	the STEP TWO amount is the amount determined in subsection
34	(f) for the civil taxing unit. For each year following the
35	determination year the STEP TWO amount is the lesser of:
36	(A) the amount determined in STEP ONE; or
37	(B) the amount determined in subsection (f) for the civil taxing
38	unit.
39	STEP THREE: Determine the greater of:
40	(A) zero (0); or
41	(B) the civil taxing unit's certified share for the ensuing
42	calendar year minus the greater of:



1	(i) the civil taxing unit's certified share for the calendar year	
2	that immediately precedes the ensuing calendar year; or	
3	(ii) the civil taxing unit's base year certified share.	
4	STEP FOUR: Determine the greater of:	
5	(A) zero (0); or	
6	(B) the amount determined in STEP TWO minus the amount	
7	determined in STEP THREE.	
8	Add the amount determined in STEP FOUR to the amount determined	
9	in subsection (e), STEP THREE, as provided in subsection (e), STEP	
10	FOUR.	
11	(e) For each civil taxing unit, the amount to be subtracted under	
12	subsection (b), STEP EIGHT, is determined using the following	
13	formula:	
14	STEP ONE: Determine the lesser of the civil taxing unit's base	
15	year certified share for the ensuing calendar year, as determined	_
16	under section 5 of this chapter, or the civil taxing unit's certified	
17	share for the ensuing calendar year.	
18	STEP TWO: Determine the greater of:	
19	(A) zero (0); or	
20	(B) the remainder of:	
21	(i) the amount of federal revenue sharing money that was	
22	received by the civil taxing unit in 1985; minus	
23	(ii) the amount of federal revenue sharing money that will be	
24	received by the civil taxing unit in the year preceding the	_
25	ensuing calendar year.	
26	STEP THREE: Determine the lesser of:	_
27	(A) the amount determined in STEP TWO; or	
28	(B) the amount determined in subsection (f) for the civil taxing	
29	unit.	
30	STEP FOUR: Add the amount determined in subsection (d),	
31	STEP FOUR, to the amount determined in STEP THREE.	
32	STEP FIVE: Subtract the amount determined in STEP FOUR	
33	from the amount determined in STEP ONE.	
34	(f) As used in this section, a taxing unit's "determination year"	
35	means the latest of:	
36	(1) calendar year 1987, if the taxing unit is treated as being	
37	located in an adopting county for calendar year 1987 under	
38	section 4 of this chapter;	
39	(2) the taxing unit's base year, as defined in section 5 of this	
40	chapter, if the taxing unit is treated as not being located in an	
41	adopting county for calendar year 1987 under section 4 of this	
42	chapter; or	



1	(3) the ensuing calendar year following the first year that the
2	taxing unit is located in a county that has a county adjusted gross
3	income tax rate of more than one-half percent (0.5%) on July 1 of
4	that year.
5	The amount to be used in subsections (d) and (e) for a taxing unit
6	depends upon the taxing unit's certified share for the ensuing calendar
7	year, the taxing unit's determination year, and the county adjusted gross
8	income tax rate for resident county taxpayers (as defined in
9	IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of
0	the year preceding the ensuing calendar year. For the determination
1	year and the ensuing calendar years following the taxing unit's
2	determination year, the amount is the taxing unit's certified share for
3	the ensuing calendar year multiplied by the appropriate factor
4	prescribed in the following table:
5	COUNTIES WITH A TAX RATE OF 1/2%
6	Subsection (e)
7	Year Factor
8	For the determination year and each ensuing
9	calendar year following the determination year 0
0.	COUNTIES WITH A TAX RATE OF 3/4%
21	Subsection (e)
22	Year Factor
23	For the determination year and each ensuing
.4	calendar year following the determination year 1/2
2.5	COUNTIES WITH A TAX RATE OF 1.0%
26	Subsection (d) Subsection (e)
27	Year Factor Factor
8	For the determination year $\dots 1/6 \dots 1/3$
.9	For the ensuing calendar year
0	following the determination year 1/4 1/3
1	For the ensuing calendar year
2	following the determination year
3	by two (2) years
4	(g) This subsection applies only to property taxes first due and
5	payable after December 31, 2007. This subsection applies only to a
6	civil taxing unit that is located in a county for which a county adjusted
7	gross income tax rate is first imposed or is increased in a particular
8	year under IC 6-3.5-1.1-24 or a county option income tax rate is first
9	imposed or is increased in a particular year under IC 6-3.5-6-30.
10	Notwithstanding any provision in this section or any other section of
1	this chapter and except as provided in subsection (h), the maximum
12	normissible ad valorem property tox layry calculated under this section



for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

- (h) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:
  - (1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and
  - (2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 3. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007, SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional

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1	geographic areas or persons. With respect to annexation,	
2	consolidation, or other extensions of governmental services in	
3	a calendar year, if those increased costs are incurred by the	
4	civil taxing unit in that calendar year and more than one (1)	
5	immediately succeeding calendar year, the unit may appeal	
6	under section 12 of this chapter for permission to increase its	
7	levy under this subdivision based on those increased costs in	
8	any of the following:	
9	(A) The first calendar year in which those costs are	
10	incurred.	
11	(B) One (1) or more of the immediately succeeding four (4)	
12	calendar years.	
13	(2) A levy increase may not be granted under this subdivision for	
14	property taxes first due and payable after December 31, 2009.	
15	Permission to the civil taxing unit to increase its levy in excess of	
16	the limitations established under section 3 of this chapter, if the	
17	local government tax control board finds that the civil taxing unit	
18	needs the increase to meet the civil taxing unit's share of the costs	
19	of operating a court established by statute enacted after December	
20	31, 1973. Before recommending such an increase, the local	
21	government tax control board shall consider all other revenues	
22	available to the civil taxing unit that could be applied for that	
23	purpose. The maximum aggregate levy increases that the local	
24	government tax control board may recommend for a particular	
25	court equals the civil taxing unit's estimate of the unit's share of	
26	the costs of operating a court for the first full calendar year in	
27	which it is in existence. For purposes of this subdivision, costs of	1
28	operating a court include:	
29	(A) the cost of personal services (including fringe benefits);	1
30	(B) the cost of supplies; and	
31	(C) any other cost directly related to the operation of the court.	
32	(3) Permission to the civil taxing unit to increase its levy in excess	
33	of the limitations established under section 3 of this chapter, if the	
34	local government tax control board finds that the quotient	
35	determined under STEP SIX of the following formula is equal to	
36	or greater than one and two-hundredths (1.02):	
37	STEP ONE: Determine the three (3) calendar years that most	
38	immediately precede the ensuing calendar year and in which	
39	a statewide general reassessment of real property or the initial	
40	annual adjustment of the assessed value of real property	

under IC 6-1.1-4-4.5 does not first become effective.

STEP TWO: Compute separately, for each of the calendar



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1	years determined in STEP ONE, the quotient (rounded to the
2	nearest ten-thousandth (0.0001)) of the sum of the civil taxing
3	unit's total assessed value of all taxable property and the total
4	assessed value of property tax deductions in the unit under
5	IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
6	year, divided by the sum of the civil taxing unit's total assessed
7	value of all taxable property and the total assessed value of
8	property tax deductions in the unit under IC 6-1.1-12-41 or
9	IC 6-1.1-12-42 in the calendar year immediately preceding the
10	particular calendar year.
11	STEP THREE: Divide the sum of the three (3) quotients
12	computed in STEP TWO by three (3).
13	STEP FOUR: Compute separately, for each of the calendar
14	years determined in STEP ONE, the quotient (rounded to the
15	nearest ten-thousandth (0.0001)) of the sum of the total
16	assessed value of all taxable property in all counties and the
17	total assessed value of property tax deductions in all counties

under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the











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1	amount of money borrowed under IC 36-6-6-14 during the
2	immediately preceding calendar year. However, any increase in
3	the amount of the civil taxing unit's levy recommended by the
4	local government tax control board under this subdivision for the
5	ensuing calendar year may not exceed the lesser of:
6	(A) ten thousand dollars (\$10,000); or
7	(B) twenty percent (20%) of:
8	(i) the amount authorized for operating expenses of a
9	volunteer fire department in the budget of the civil taxing
10	unit for the immediately preceding calendar year; plus  (ii) the amount of any additional appropriations authorized
11	• 11 1
12	during that calendar year for the civil taxing unit's use in
13 14	paying operating expenses of a volunteer fire department
14 15	under this chapter; minus  (iii) the amount of money borrowed under IC 36-6-6-14
	•
16 17	during that calendar year for the civil taxing unit's use in
17	paying operating expenses of a volunteer fire department.
18	(5) A levy increase may not be granted under this subdivision for
19	property taxes first due and payable after December 31, 2009.
20	Permission to a civil taxing unit to increase its levy in excess of
21	the limitations established under section 3 of this chapter in order
22	to raise revenues for pension payments and contributions the civil
23	taxing unit is required to make under IC 36-8. The maximum
24	increase in a civil taxing unit's levy that may be recommended
25	under this subdivision for an ensuing calendar year equals the
26	amount, if any, by which the pension payments and contributions
27	the civil taxing unit is required to make under IC 36-8 during the
28	ensuing calendar year exceeds the product of one and one-tenth
29	(1.1) multiplied by the pension payments and contributions made
30	by the civil taxing unit under IC 36-8 during the calendar year that
31	immediately precedes the ensuing calendar year. For purposes of
32	this subdivision, "pension payments and contributions made by a
33	civil taxing unit" does not include that part of the payments or
34	contributions that are funded by distributions made to a civil
35	taxing unit by the state.
36	(6) A levy increase may not be granted under this subdivision for
37	property taxes first due and payable after December 31, 2009.
38	Permission to increase its levy in excess of the limitations
39 40	established under section 3 of this chapter if the local government
40	tax control board finds that:
41	(A) the township's township assistance ad valorem property
42	tax rate is less than one and sixty-seven hundredths cents



1	(\$0.0167) per one hundred dollars (\$100) of assessed	
2	valuation; and	
3	(B) the township needs the increase to meet the costs of	
4	providing township assistance under IC 12-20 and IC 12-30-4.	
5	The maximum increase that the board may recommend for a	
6	township is the levy that would result from an increase in the	
7	township's township assistance ad valorem property tax rate of	
8	one and sixty-seven hundredths cents (\$0.0167) per one hundred	
9	dollars (\$100) of assessed valuation minus the township's ad	
10	valorem property tax rate per one hundred dollars (\$100) of	
11	assessed valuation before the increase.	
12	(7) A levy increase may not be granted under this subdivision for	
13	property taxes first due and payable after December 31, 2009.	
14	Permission to a civil taxing unit to increase its levy in excess of	
15	the limitations established under section 3 of this chapter if:	
16	(A) the increase has been approved by the legislative body of	
17	the municipality with the largest population where the civil	
18	taxing unit provides public transportation services; and	
19	(B) the local government tax control board finds that the civil	
20	taxing unit needs the increase to provide adequate public	
21	transportation services.	
22	The local government tax control board shall consider tax rates	
23	and levies in civil taxing units of comparable population, and the	
24	effect (if any) of a loss of federal or other funds to the civil taxing	_
25	unit that might have been used for public transportation purposes.	
26	However, the increase that the board may recommend under this	
27	subdivision for a civil taxing unit may not exceed the revenue that	
28	would be raised by the civil taxing unit based on a property tax	
29	rate of one cent (\$0.01) per one hundred dollars (\$100) of	
30	assessed valuation.	
31	(8) A levy increase may not be granted under this subdivision for	
32	property taxes first due and payable after December 31, 2009.	
33	Permission to a civil taxing unit to increase the unit's levy in	
34	excess of the limitations established under section 3 of this	
35	chapter if the local government tax control board finds that:	
36	(A) the civil taxing unit is:	
37	(i) a county having a population of more than one hundred	
38	forty-eight thousand (148,000) but less than one hundred	
39	seventy thousand (170,000);	
40	(ii) a city having a population of more than fifty-five	
41	thousand (55,000) but less than fifty-nine thousand (59,000);	
42	(iii) a city having a population of more than twenty-eight	



1	thousand seven hundred (28,700) but less than twenty-nine
2	thousand (29,000);
3	(iv) a city having a population of more than fifteen thousand
4	four hundred (15,400) but less than sixteen thousand six
5	hundred (16,600); or
6	(v) a city having a population of more than seven thousand
7	(7,000) but less than seven thousand three hundred (7,300);
8	and
9	(B) the increase is necessary to provide funding to undertake
.0	removal (as defined in IC 13-11-2-187) and remedial action
1	(as defined in IC 13-11-2-185) relating to hazardous
2	substances (as defined in IC 13-11-2-98) in solid waste
.3	disposal facilities or industrial sites in the civil taxing unit that
4	have become a menace to the public health and welfare.
.5	The maximum increase that the local government tax control
.6	board may recommend for such a civil taxing unit is the levy that
.7	would result from a property tax rate of six and sixty-seven
8	hundredths cents (\$0.0667) for each one hundred dollars (\$100)
9	of assessed valuation. For purposes of computing the ad valorem
20	property tax levy limit imposed on a civil taxing unit under
21	section 3 of this chapter, the civil taxing unit's ad valorem
22	property tax levy for a particular year does not include that part of
23	the levy imposed under this subdivision. In addition, a property
24	tax increase permitted under this subdivision may be imposed for
25	only two (2) calendar years.
26	(9) A levy increase may not be granted under this subdivision for
27	property taxes first due and payable after December 31, 2009.
28	Permission for a county:
29	(A) having a population of more than eighty thousand (80,000)
0	but less than ninety thousand (90,000) to increase the county's
31	levy in excess of the limitations established under section 3 of
32	this chapter, if the local government tax control board finds
33	that the county needs the increase to meet the county's share of
34	the costs of operating a jail or juvenile detention center,
55	including expansion of the facility, if the jail or juvenile
66	detention center is opened after December 31, 1991;
37	(B) that operates a county jail or juvenile detention center that
8	is subject to an order that:
39	(i) was issued by a federal district court; and
10	(ii) has not been terminated;
1	(C) that operates a county jail that fails to meet:
12	(i) American Correctional Association Jail Construction



1	Standards; and
2	(ii) Indiana jail operation standards adopted by the
3	department of correction; or
4	(D) that operates a juvenile detention center that fails to meet
5	standards equivalent to the standards described in clause (C)
6	for the operation of juvenile detention centers.
7	Before recommending an increase, the local government tax
8	control board shall consider all other revenues available to the
9	county that could be applied for that purpose. An appeal for
10	operating funds for a jail or a juvenile detention center shall be
11	considered individually, if a jail and juvenile detention center are
12	both opened in one (1) county. The maximum aggregate levy
13	increases that the local government tax control board may
14	recommend for a county equals the county's share of the costs of
15	operating the jail or a juvenile detention center for the first full
16	calendar year in which the jail or juvenile detention center is in
17	operation.
18	(10) A levy increase may not be granted under this subdivision
19	for property taxes first due and payable after December 31, 2009.
20	Permission for a township to increase its levy in excess of the
21	limitations established under section 3 of this chapter, if the local
22	government tax control board finds that the township needs the
23	increase so that the property tax rate to pay the costs of furnishing
24	fire protection for a township, or a portion of a township, enables
25	the township to pay a fair and reasonable amount under a contract
26	with the municipality that is furnishing the fire protection.
27	However, for the first time an appeal is granted the resulting rate
28	increase may not exceed fifty percent (50%) of the difference
29	between the rate imposed for fire protection within the
30	municipality that is providing the fire protection to the township
31	and the township's rate. A township is required to appeal a second
32	time for an increase under this subdivision if the township wants
33	to further increase its rate. However, a township's rate may be
34	increased to equal but may not exceed the rate that is used by the
35	municipality. More than one (1) township served by the same
36	municipality may use this appeal.
37	(11) A levy increase may not be granted under this subdivision
38	for property taxes first due and payable after December 31, 2009.
39	Permission for a township to increase its levy in excess of the
40	limitations established under section 3 of this chapter, if the local
41	government tax control board finds that the township has been

required, for the three (3) consecutive years preceding the year for



1	which the appeal under this subdivision is to become effective, to
2	borrow funds under IC 36-6-6-14 to furnish fire protection for the
3	township or a part of the township. However, the maximum
4	increase in a township's levy that may be allowed under this
5	subdivision is the least of the amounts borrowed under
6	IC 36-6-6-14 during the preceding three (3) calendar years. A
7	township may elect to phase in an approved increase in its levy
8	under this subdivision over a period not to exceed three (3) years.
9	A particular township may appeal to increase its levy under this
10	section not more frequently than every fourth calendar year.
11	(12) A levy increase may not be granted under this subdivision
12	for property taxes first due and payable after December 31, 2009.
13	Permission to a city having a population of more than twenty-nine
14	thousand (29,000) but less than thirty-one thousand (31,000) to
15	increase its levy in excess of the limitations established under
16	section 3 of this chapter if:
17	(A) an appeal was granted to the city under this section to
18	reallocate property tax replacement credits under IC 6-3.5-1.1
19	in 1998, 1999, and 2000; and
20	(B) the increase has been approved by the legislative body of
21	the city, and the legislative body of the city has by resolution
22	determined that the increase is necessary to pay normal
23	operating expenses.
24	The maximum amount of the increase is equal to the amount of
25	property tax replacement credits under IC 6-3.5-1.1 that the city
26	petitioned under this section to have reallocated in 2001 for a
27	purpose other than property tax relief.
28	(13) A levy increase may be granted under this subdivision only
29	for property taxes first due and payable after December 31, 2009.
30	Permission to a civil taxing unit to increase its levy in excess of
31	the limitations established under section 3 of this chapter if the
32	civil taxing unit cannot carry out its governmental functions for
33	an ensuing calendar year under the levy limitations imposed by
34	section 3 of this chapter.
35	SECTION 4. [EFFECTIVE JULY 1, 2008] (a) IC 6-1.1-18.5-3 and
36	IC 6-1.1-18.5-13, both as amended by this act, apply only to
37	property taxes first due and payable after 2008.
38	(b) A civil taxing unit may appeal under IC 6-1.1-18.5-12 and
39	IC 6-1.1-18.5-13(1), as amended by this act, regardless of whether
40	the:
41	(1) annexation;
42	(2) consolidation; or



(3) other extensions of governmental services by the civil	
taxing unit to additional geographic areas or persons;	
that resulted in increased costs that are the bases of the appeal	
occurred before 2009.	
SECTION 5. [EFFECTIVE MARCH 1, 2007 (RETROACTIVE)]	
IC 6-1.1-4-13, as amended by this act, applies to assessment dates	
after February 28, 2007.	
SECTION 6. An emergency is declared for this act.	

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1319, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

PFLUM, Chair

Committee Vote: yeas 10, nays 0.

#### **HOUSE MOTION**

Mr. Speaker: I move that House Bill 1319 be amended to read as follows:

Page 2, between lines 19 and 20, begin a new paragraph and insert: "SECTION 2. IC 6-1.1-18.5-3, AS AMENDED BY P.L.224-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year. STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

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STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) The amount to be entered under STEP SIX of subsection (a)









or STEP SIX of subsection (b), as applicable, equals the sum of the following:

- (1) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation.
- (2) If the civil taxing unit has had an excessive levy appeal approved under section 13(1) of this chapter for the ensuing calendar year, an amount determined by the civil taxing unit for the ensuing calendar year that does not exceed the amount of that excessive levy.

In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

- (A) the amount determined in STEP ONE; or
- (B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:
  - (i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or
  - (ii) the civil taxing unit's base year certified share.

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STEP FOUR: Determine the greater of:

- (A) zero (0); or
- (B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified share for the ensuing calendar year.

STEP TWO: Determine the greater of:

- (A) zero (0); or
- (B) the remainder of:
  - (i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus
  - (ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:

- (A) the amount determined in STEP TWO; or
- (B) the amount determined in subsection (f) for the civil taxing

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

STEP FIVE: Subtract the amount determined in STEP FOUR from the amount determined in STEP ONE.

- (f) As used in this section, a taxing unit's "determination year" means the latest of:
  - (1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;
  - (2) the taxing unit's base year, as defined in section 5 of this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or
  - (3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of

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that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

## COUNTIES WITH A TAX RATE OF 1/2%

Subsection (e)

Year

Factor

For the determination year and each ensuing
calendar year following the determination year . . . . . 0

COUNTIES WITH A TAX RATE OF 3/4%

Subsection (e)

Year

For the determination year and each ensuing
calendar year following the determination year . . . . . 1/2

COUNTIES WITH A TAX RATE OF 1.0%

	Subsection (d)	Subsection		
Year	Factor	Factor		
For the determination year	1/6	1/3		
For the ensuing calendar year				
following the determination year	1/4	1/3		
For the ensuing calendar year				
following the determination year				
by two (2) years	1/3	1/3		

(g) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter and except as provided in subsection (h), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.





- (h) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:
  - (1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and
  - (2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 3. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007, SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the











civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

- (A) The first calendar year in which those costs are incurred.
- (B) One (1) or more of the immediately succeeding four (4) calendar years.
- (2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:
  - (A) the cost of personal services (including fringe benefits);
  - (B) the cost of supplies; and
- (C) any other cost directly related to the operation of the court. (3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total









assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the

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local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

- (A) ten thousand dollars (\$10,000); or
- (B) twenty percent (20%) of:
  - (i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus
  - (ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus
  - (iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.
- (5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.
- (6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:
  - (A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and
  - (B) the township needs the increase to meet the costs of











providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

- (7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:
  - (A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and
  - (B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

- (8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:
  - (A) the civil taxing unit is:
    - (i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);
    - (ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);
    - (iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);
    - (iv) a city having a population of more than fifteen thousand













four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

- (v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and
- (B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

- (9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission for a county:
  - (A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;
  - (B) that operates a county jail or juvenile detention center that is subject to an order that:
    - (i) was issued by a federal district court; and
    - (ii) has not been terminated;
  - (C) that operates a county jail that fails to meet:
    - (i) American Correctional Association Jail Construction Standards; and
    - (ii) Indiana jail operation standards adopted by the department of correction; or











(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum

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increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

- (12) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009. Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:
  - (A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and
  - (B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter.

SECTION 4. [EFFECTIVE JULY 1, 2008] (a) IC 6-1.1-18.5-3 and IC 6-1.1-18.5-13, both as amended by this act, apply only to property taxes first due and payable after 2008.

- (b) A civil taxing unit may appeal under IC 6-1.1-18.5-12 and IC 6-1.1-18.5-13(1), as amended by this act, regardless of whether the:
  - (1) annexation;
  - (2) consolidation; or
  - (3) other extensions of governmental services by the civil taxing unit to additional geographic areas or persons;

that resulted in increased costs that are the bases of the appeal

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## occurred before 2009.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1319 as printed January 25, 2008.)

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